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## VIA ECFS

## *EX PARTE*

July 3, 2008

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

**Re: *Petitions of Qwest Corporation for Forbearance Pursuant to 47 U.S.C. § 160(c) in the Denver, Minneapolis-St. Paul, Phoenix, and Seattle Metropolitan Statistical Areas, WC Docket No. 07-97***

Dear Ms. Dortch:

Integra Telecom, Inc. (“Integra”), through its undersigned attorneys, hereby supplements the record in the above-captioned proceeding with the attached information, prepared by Integra personnel, regarding Qwest’s historical special access pricing in the Phoenix MSA and its UNE pricing in all four of the MSAs at issue.

Attachment A, entitled “History of Qwest’s Special Access DS1 Channel Termination (Loop) Prices,” shows that Qwest’s prices for special access DS1 channel terminations have increased over time in the Phoenix MSA, where there is Phase II pricing flexibility. More specifically, Attachment B, Table 1 shows that these prices have increased in every zone for every plan (month-to-month, 36-month, and 60-month plans) since August 1995. In addition, Attachment B, Table 2 demonstrates that the monthly per-mile charge for DS1 transport has increased steadily over the past seven years.

Attachment C, Table 1 shows that, for DS3 channel terminations in the Phoenix MSA, Qwest has increased the monthly rates for its month-to-month plan since June 2002 and the monthly rates for its 36-month plan and 60-month plans since July 2000. Along the same lines, Attachment C, Table 2 shows that, for DS3 transport in the Phoenix MSA, Qwest has substantially increased its fixed and per-mile charges for every plan (month-to-month, 36-month, and 60-month) since February 2004.

That Qwest has made no reductions in—and has, in fact, increased—its special access

rates for DS1 and DS3 channel terminations and DS1 and DS3 transport in the Phoenix MSA in at least the past four years belies Qwest's claims that sufficient competition has developed in this market to justify forbearance from statutory unbundling obligations. Indeed, the absence of any constraints on Qwest's ability to raise its special access prices is even more apparent when these rates are compared to Qwest's UNE rates (*see Attachment D*). For example, Qwest's month-to-month special access rate for DS1 channel terminations in Zone 3 in the Phoenix MSA is \$185.00 (*see Attachment B, Table 1*), *nearly two-and-a-half times* as much as Qwest's DS1 UNE loop rate for Zone 3 in Arizona, which is \$76.06.

Finally, to the extent that Qwest offers any discounts under its Regional Commitment Plan ("RCP"), these types of plans serve to harm purchasers by effectively locking up demand and giving Qwest an incentive to *raise its undiscounted* month-to-month rates. As explained by Dr. Joseph Farrell in the Commission's special access reform rulemaking proceeding:

[W]hen a monopoly offers proportional or relative discounts off its undiscounted prices in order to induce customers to agree to exclusionary provisions, it has an incentive to set the undiscounted price above even the monopoly level (because, rather than simply deterring demand, an increase above the monopoly level steers customers into the discount plans and also brings the discount prices closer to the monopoly level).<sup>1</sup>

Thus, Qwest's anticompetitive pricing behavior in the Phoenix MSA is consistent with that of a monopolist, not of an incumbent that faces any significant competition in the market for DS1 and DS3 loops and DS1 and DS3 transport needed to serve business customers.

Respectfully submitted,

/s/ Thomas Jones

Thomas Jones

Nirali Patel

*Attorneys for Integra Telecom, Inc.*

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<sup>1</sup> See Reply Declaration of Joseph Farrell On Behalf of CompTel, Special Access Rates for Price Cap Local Exchange Carriers, WC Dkt. No. 05-25, ¶ 4 (filed July 29, 2005).